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FM AMEMBASSY BELGRADE

TO RUEHC/SECSTATE WASHDC PRIORITY 0890

INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE

RHEHNS/NSC WASHDC

RUEATRS/DEPT OF TREASURY WASHDC

RUCPDOC/USDOC WASHDC

RUZEJAA/JAC MOLESWORTH RAF MOLESWORTH UK

RHMFISS/HQ USEUCOM VAIHINGEN GE

UNCLAS SECTION 01 OF 02 BELGRADE 000059

SENSITIVE SIPDIS

E.O.12958: N/A TAGS: <u>PGOV</u> <u>PREL</u> <u>SR</u>

SUBJECT: SERBIA: EX-RADICALS ENTER LOCAL GOVERNMENT FOR THE FIRST

TIME

Summary

11. (SBU) The local branch of the Serbian Progressive Party joined in forming the municipal government of Prijepolje and is positioned to install its local head as mayor of this multiethnic town in the Sandzak region of south-western Serbia. The agreement marks the first time that ex-Radical leader Tomislav Nikolic's party has formed a governing coalition at the municipal level. The Prijepolje coalition also includes President Tadic's Democratic Party. The SNS's coalition partners on the local level viewed the arrangement as a practical necessity to avoid repeat elections and provide stability to confront the city's looming economic crisis. SNS pocketed an important victory in the recognition that the former Radicals can be viable coalition partners. End Summary.

Progressives Ready to Take the Reigns

12. (SBU) Party leaders in Serbia's southwestern city of Prijepolje reached a coalition agreement on January 15 that for the first time places the Serbian Progressive Party (SNS) in a governing coalition on the municipal level; the coalition also includes President Boris Tadic's Democratic Party (DS). The SNS won 14.8% in Prijepolje's November municipal election, coming in second to the Sandzak Democratic Party's (SDP) 26% and slightly more than the "Together For A Better Prijepolje" coalition (14.7%) consisting of the DS, G17 Plus, the Socialist Party of Serbia (SPS), and the Serbian Renewal Movement (SPO). The agreement between these parties provided the governing coalition with 37 out of 61 seats and paved the way for the SNS's local chairman, Dragoljub Zindovic, to become mayor of Prijepolje.

SNS Ready to Lead

¶3. (SBU) Zindovic told visiting Emboffs on January 12 that he and his party are ready to govern on the principle of compromise. Visibly pleased by the attention he received during the visit, Zindovic discussed in detail his priorities, including infrastructure development, retaining youth in Prijepolje, and attracting foreign investment and NGO technical assistance to the city. He said that SNS party leadership had given him room to decide his policy positions, but when asked what specific ideas the local party offered citizens, Zindovic fell back on the line that citizens voted for SNS because of SNS president Tomislav Nikolic. (A six-foot poster of Nikolic's smiling face loomed next to Zindovic's desk.) Zindovic said that the local SNS had chosen not to respond to Serbian Radical Party (SRS) provocations; he cited as signs of the SNS's openness the inclusion of a Bosniak on the SNS party list, and the number of local Bosniaks who were joining the party. (Comment: We have not been able to confirm the assertion that the SNS is attracting Bosniak members, a claim that strikes us as

fanciful. A mere six months ago, the SNS leadership was directed by Hague-indicted war criminal Vojislav Seselj and supported his ethnic cleansing policies. End Comment.)

SDP Satisfied With Municipal Role

14. (SBU) Local SDP chairman Nedzad Turkovic told us that despite having to give up the mayor's office, the SDP had not fared poorly in the coalition agreement. The SDP would obtain the presidency of the local parliament, seven seats on the municipal council, the taxation and police ministries, and four public companies, including public utilities, education, and library. The reason behind a decision to "trade" the mayor's office for national institutions, Turkovic said, was SDP's objective to further the integration of Bosniaks into the state institutions, in particular the police and the taxation office. The SNS would have two deputies on the municipal council, one deputy president of the council, and two public companies dealing with museums and tourism, respectively. Turkovic said that all parties realized that cooperation with the SNS was a practical solutionand that the SDP benefited by placing Bosniaks in key positions of state administration. Claiming that efficient government and pro-EU position were the SDP's main selling points, Turkovic said his party was seeking to expand its presence in other regions of Serbia and currently had 50 branch offices open outside of the Sandzak.

DS Prepared to Cooperate

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15. (SBU) Prijepolje's interim mayor and DS chief Dobro Lazarevic told us that his party recognized that cooperation with the SNS was necessary to achieve a functioning local government. Asserting that the SNS was distinctly different from the SRS, Lazarevic said that differences between the parties on the local level were small because all were focused on solving the immediate problems of improving Prijepolje's meager living standards. Lazarevic said that failure to maintain steady local governance amid the economic crisis would result in socio-economic "radicalization," which he did not consider to be defined in ethnic terms.

Comment

 $\underline{\P}6$. (SBU) The agreement installing Zindovic as mayor marks an important victory in the SNS's efforts to portray itself as different than the Radicals and as a mainstream, responsible party. The agreement with the Bosniak SDP and the DS in the heart of the multi-ethnic Sandzak region gives the SNS room to claim that it is able to work effectively with parties previously excoriated by the SRS. Although Nikolic said in November that the SNS was only willing to work with the DS on the local level, the local coalition will be watched closely in Belgrade by those who wonder if the SNS could be a potential future coalition partner. In spite of the Progressives' attempts to make themselves "legitimate," they are only just now talking the talk, and even do that selectively. At a year end poll of the 100 most influential people in Serbia, SNS President Nikolic said that for 2008 the most influential person in the world was Hugo Chavez and the most significant event was the former President Bush getting shoes thrown at him in Baghdad incident. He defended both answers saying it was important to stand up to America. Prijepolje will be the first test to see if the Progressives have any actual interest in good governance. Comment.

MUNTER